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 Attorneys for Creditor,  
*Stanley Consultants, Inc.*

**UNITED STATES BANKRUPTCY COURT**  
**DISTRICT OF NEVADA**

In re

Case No. BK-S-09-14814-LBR

THE RHODES COMPANIES, LLC,

Chapter 11

Debtor.

Affects:

- ☒ All Debtors  
☐ Affects the following Debtor(s),  
 Apache Framing, LLC  
 Batcave, LP  
 Bravo, Inc.  
 Chalkline, LP  
 Elkhorn Partners, a Nevada LP  
 Geronimo Plumbing, LLC  
 Glynda, LP  
 Gung-Ho Concrete, LLC  
 Heritage Land Company LLC  
 Jackknife, LP  
 Overflow, LP  
 Parcel 20, LLC  
 Pinnacle Grading, LLC  
 Rhodes Homes Arizona, LLC  
 Rhodes Arizona Properties, LLC  
 The Rhodes Companies, LLC  
 Rhodes Ranch Golf Country Club, LLC  
 Rhodes Ranch General Partnership  
 Six Feathers Holdings, LLC  
 Tribes Holdings, LLC  
 Tick, LP  
 Tuscany Golf Country Club, LLC  
 Wallboard, LP

**STANLEY CONSULTANTS, INC.'S  
 OBJECTION TO DEBTORS' MOTION  
 FOR ENTRY OF AN ORDER (A)  
 APPROVING BIDDING PROCEDURES  
 FOR THE SALE OF CERTAIN OF THE  
 DEBTORS' ARIZONA ASSETS; (B)  
 APPROVING FORM OF PUBLICATION  
 NOTICE; AND (C) SCHEDULING SALE  
 HEARING DATE; DECLARATION OF  
 PAUL D. HUYGENS IN SUPPORT  
 THEREOF (DOC 1031)**

Stanley Consultants, Inc. objects to DEBTORS' MOTION FOR ENTRY OF AN ORDER (A) APPROVING BIDDING PROCEDURES FOR THE SALE OF CERTAIN OF THE DEBTORS' ARIZONA ASSETS; (B) APPROVING FORM OF PUBLICATION NOTICE; AND (C) SCHEDULING SALE HEARING DATE; DECLARATION OF PAUL D. HUYGENS IN SUPPORT THEREOF (DOC 1031). Stanley respectfully requests that this Court order:

1. A six-month auction procedure rather than the April 26, 2010 date provided for in Debtors' Motion;

2. Debtors disclose the real and intellectual property that is to comprise the "Arizona Assets" in order for Stanley to verify if any of the Arizona Assets is Stanley's intellectual property (or intellectual property derived from Stanley's intellectual property); and

3. The proposed order notify prospective bidders that the intellectual property included in the Arizona Assets does not include any work product of Stanley Consultants, Inc., or any derivative work that Stanley Consultants, Inc. owns or has an ownership interest in, and further that nothing in the order shall be construed as prohibiting or restricting Stanley from enforcing its copyrights or other ownership rights in Stanley's work product.

Stanley bases its objection upon the following:

1. **"Arizona Assets" Still Unknown**

Stanley incorporates by reference its previous Objection (Doc 1035) to the First Lien Steering Committee's Proposed Findings of Fact, Conclusions of Law and Order Confirming the First Lien Steering Committee's Third Amended Modified Plan (Doc 1026) and Stanley's Objection (Doc 1015) to the Proposed Third Amended Plan (Doc 1013). Debtors and the First Lien Steering have not disclosed what real and intellectual property actually constitutes the Arizona Assets, despite Stanley's several requests for the information. This delay in disclosure prevents any bidder from conducting due diligence regarding the parcels that will be sold at public auction.

As set forth in Stanley's previous Objections, only a vague description of the Arizona Assets is set forth in the proposed Third Amended Modified Plan (filed separately at Doc 1013 as well as attached as Exhibit A to the Proposed Order (Doc 1026). Without disclosure of what

1 constitutes the Arizona Assets, no potential bidder can conduct due diligence regarding the  
 2 Arizona Assets. The failure to disclose the real property as well as the intellectual property rights  
 3 are significant to Stanley as Stanley is entitled to review the intellectual property to make certain  
 4 none of its intellectual property is being included and that no intellectual property that is a  
 5 derivative of Stanley's work product is included in the Arizona Assets.

6 As the Court is aware from the extending hearing on the Plan Confirmation there remains  
 7 confusion regarding which specific parcels are owned by Debtors in Mohave County. Stanley has  
 8 requested disclosure of the specific parcels given that Debtors have represented that the property  
 9 records for Mojave County are not accurate or not up to date. Stanley has only the public records  
 10 to analyze and those records do not show that the Debtors own only "1400 acres and some  
 11 change" as testified to during the Hearing. A draft list was prepared by Debtors and/or the First  
 12 Lien Steering Committee, but was subsequently withdrawn and is not attached to the to the  
 13 proposed Third Amended modified Plan.

14 Most significant, is the failure to disclose the intellectual property that will comprise the  
 15 Arizona Assets. The draft list of the Arizona Assets (subsequently withdrawn and not replaced)  
 16 indicated that engineering and maps were included, Stanley requested disclosure of those maps  
 17 and plans, but has not received this information. Stanley requests the right to review and analyze  
 18 the maps and plans to be included in the Arizona Assets to determine if prepared by Stanley or  
 19 prepared using Stanley's work product.

20 Stanley requests that the proposed Order notify prospective bidders that the intellectual  
 21 property included in the Arizona Assets does not include any work product of Stanley Consultants,  
 22 Inc. or any derivative work based upon Stanley's work product. Stanley further requests that the  
 23 Order provide that nothing in the Order shall be construed as prohibiting or restricting Stanley  
 24 from enforcing its copyrights or other ownership rights in Stanley's work product.

## 25 2. Insufficient Time to Conduct Due Diligence on the (Unknown) Arizona Assets

26 This Court noted that she expected six months for the public sale in order to permit bidders  
 27 to conduct due diligence on the Arizona Assets. Yet, Debtors propose in their Motion that bids be  
 28 submitted by April 26, 2010 and that any bid will be accompanied by the full amount of the

Purchase Price and Initial Minimum Overbid Increment or \$1,422,999 in the form of certified check or cash payable to Nevada Title Company or wire transfer. (Doc 1031, Art. IV, Bidding Procedures, ¶7 (a)-(c).

Given that no bidder can complete the due diligence needed to determine the value of the Arizona Assets in the proposed period, the limited time period will discourage Stanley as well as other prospective bidders from being able to formulate a bid for the Arizona Assets. Stanley has already commenced due diligence with the limited information it has; however, due to the number of state, county and other government agencies involved in developing the Arizona Assets, Stanley cannot complete this by April 26, 2010.

Moreover, it has come to Stanley's attention that Jim Rhodes and his nondebtor entities may have leased/sold during 2009 approximately 4000 acres of land with 27 miles of Kingman to a geothermal company and that the geothermal plant may rely upon the same aquifer as water for the Arizona Assets real property (Pravada); it is simply unknown. Stanley attaches as Exhibit 1 an article from the Kingman Daily Miner, dated May 13, 2009 regarding the land lease/sale by Jim Rhodes as well as property records from Mohave County, showing a sale by Canberra Holdings. Upon information and belief, Canberra Holdings is member/managed by Truckee Springs Holding and that Jim Rhodes is the president of Truckee Springs Holding LLC. *Exhibit 2, Deeds of Trust for Mohave County.*

The Kingman Daily Miner newspaper articles provides, in part: "A fourth solar plant may be in the works for Mohave County . . . Some of the benefits to locating the project in Mohave County . . . included . . . the amount of water and the ability to acquire 4,000 acres from a private landholder, Jim Rhodes. The company has a purchase lease agreement with Rhodes for the property." *Exhibit 1.*

If this information is correct, then Stanley or other prospective bidders will require additional time for to analyze the water usage implications for the Arizona Assets (Pravada). Stanley does not have sufficient information regarding whether the property was sold and the implications on the proposed water usage of the (one or more) geothermal plants on the development of Pravada and/or the value of the property. Stanley has requested information

1 regarding whether the 4000 acres was sold from Debtors; however, Stanley has received no  
 2 response to this request or why if 4000 acres was sold within 27 miles of Kingman why this land  
 3 sale was not disclosed during the Hearing on Plan Confirmation.

4 Given the implications of the several solar plants within miles of Pravada, Stanley and  
 5 other bidders will require more time to conduct the due diligence to analyze the issue of the water  
 6 usage of the land involved and the implications as to Pravada.

### 7 Conclusion

8 For the above reasons, Stanley objects to Debtors' Motion. Stanley requests that the Court  
 9 order a full six months for prospective bidders to be able to conduct due diligence on the Arizona  
 10 Assets upon complete disclosure by Debtors of what constitutes the Arizona Assets, the real  
 11 property and the intellectual property. Lastly, Stanley requests that the Order notify any  
 12 prospective bidder that Arizona Assets do not include Stanley's work product or derivate work  
 13 product.

14 March 4, 2010

15 Respectfully submitted,

16 ANDERSON, McPHARLIN & CONNERS LLP

17 By /s/ Janiece S. Marshall

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**CERTIFICATE OF SERVICE**

I hereby certify that on this 5<sup>th</sup> day March, 2010, I did serve, via Electronic Mail by the ECF system (a copy of the U.S. Bankruptcy Court's ECF service list is attached), a copy of the above and foregoing STANLEY CONSULTANTS, INC.'S OBJECTION TO DEBTORS' MOTION FOR ENTRY OF AN ORDER (A) APPROVING BIDDING PROCEDURES FOR THE SALE OF CERTAIN OF THE DEBTORS' ARIZONA ASSETS: (B) APPROVING FORM OF PUBLICATION NOTICE; AND (C) SCHEDULING SALE HEARING DATE; DECLARATION OF PAUL D. HUYGENS IN SUPPORT THEREOF (DOC 1031) as follows:

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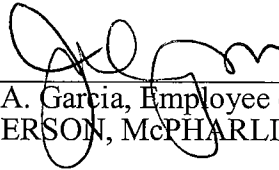
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I declare under penalty of perjury that the foregoing is true and correct. Executed this 5<sup>th</sup>  
day of March, 2010.

  
\_\_\_\_\_  
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